



IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: February 09, 2022.



MICHAEL M. PARKER
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE:	§	
	§	
DEEPROOT CAPITAL MANAGEMENT,	§	
LLC, ET AL.,	§	BANKRUPTCY NO. 21-51523
	§	
DEBTORS.	§	JOINTLY ADMINISTERED

**ORDER APPROVING MOTION OF CHAPTER 7 TRUSTEE FOR AUTHORIZATION TO SELL
PROPERTY OF THE ESTATE BY PUBLIC AUCTION AND TO AUTHORIZE PAYMENT TO
AUCTIONEER FROM SALES PROCEEDS**

The Court has considered the matter before the Court on the *Motion of Chapter 7 Trustee for Authorization to Sell Property of the Estate by Public Auction and to Authorize Payment to Auctioneer from Sales Proceeds* (the “**Motion**”),¹ any responses to the Motion, the statements of counsel, and the records in this case, and having held a hearing on the Motion, finds that: (a) it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) the relief requested in the Motion is in the best interests of the

¹ All capitalized terms not expressly defined herein shall have the meaning ascribed to them in the Motion.

Debtor's estate, its creditors, and other parties-in-interest; (d) proper and adequate notice of the application and hearing hereon has been given and no other or further notice is necessary; and (e) good and sufficient cause exists for granting the relief requested. Therefore, it is **ORDERED** that the Trustee's Motion shall be **GRANTED** in its entirety.

IT IS FURTHER ORDERED that the Trustee is authorized to sell the Assets through an auction conducted by Mel T. Davis.

IT IS FURTHER ORDERED that the ad valorem tax lien for tax year 2021 pertaining to the personal property located in Bexar County shall attach to the sales proceeds and that the closing agent shall pay all ad valorem tax debt owed incident to the personal property located in Bexar County immediately upon closing and prior to any disbursement of proceeds to any other person or entity.

IT IS FURTHER ORDERED that all liens which secure the ad valorem tax penalty claims are avoided by right of 11 United States Code § 724(a) but are preserved for the benefit of the estate by right of 11 United States Code §551.

IT IS FURTHER ORDERED that the resulting unsecured tax penalties are subordinated to all allowed unsecured claims by right of 11 United States Code § 726(a)(4).

IT IS FURTHER ORDERED that the Trustee is authorized and directed to pay the ad valorem taxes and interest but no penalties to Bexar County within fifteen (15) days of the Trustee's receipt of the net sales proceeds from the auctioneer for the bankruptcy estate.

IT IS FURTHER ORDERED that, upon the consummation of the sale, all persons holding or asserting any lien, claim, interest, or encumbrance against or in the Assets of any kind or nature whatsoever, including all taxing authorities (except as stated in the preceding three paragraphs), are forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing such lien, claim, interest, or encumbrance against the buyer or the Assets themselves.

IT IS FURTHER ORDERED that such sale shall also be “as is,” “where is,” with all faults, without any warranties, other than a warranty that the sale is free and clear of liens, claims, security interests and encumbrances, and without recourse against the Trustee or the bankruptcy estate.

IT IS FURTHER ORDERED that the Trustee is authorized to pay auctioneer Mel T. Davis a ten percent (10%) commission for the auction sale and reimburse him for advertising and moving expenses. Mel T. Davis is also authorized to charge a fifteen percent (15%) buyer’s commission, which will be paid by the buyers and not from the sales proceeds to help defray the costs of credit card and check transactions; storage and security charges; and the costs of insurance. These costs shall not be duplicative of out-of-pocket expenses described above.

IT IS FURTHER ORDERED that, as a condition to this Court’s approval of the sale pursuant to 11 U.S.C. §§ 363(e) and 365(d)(3), the Trustee shall timely pay rent to CVH University Park, LP (“Landlord”) for the estate’s post-petition occupation and use of the leased space at 12669 Silicon Drive, San Antonio, Texas 78249 (“Premises”), in the amount of \$20,000 for the post-petition period through March 31, with additional rent of \$5,000 per month accruing thereafter, prorated for days in possession by the estate until rejection by the Trustee, which rejection shall occur no later than June 30, 2022.

IT IS FURTHER ORDERED that the Trustee’s timely payment to Landlord for rent through March 31 in the amount of \$20,000 shall be due and payable within fifteen (15) days of the Trustee’s receipt of the net sales proceeds from the auctioneer for the bankruptcy estate. The Trustee’s timely payment to Landlord for rent accruing after March 31, 2022, through surrender of the Premises and rejection of the lease with Landlord, shall be made within fifteen (15) days of the Trustee’s rejection of the lease, which rejection shall occur no later than June 30, 2022.

IT IS FURTHER ORDERED that the Trustee’s obligation to timely pay the rent described above is conditioned upon: (i) there being sufficient net proceeds (after all expenses) from the auction

sale; (ii) Landlord's waiver of the right to recover from the estate any further money for post-petition rent; and (iii) Landlord's waiver of the right to recover pre-petition rent or rejection damages and covenant not to file a proof of claim for such in these proceedings, provided that Landlord reserves its right to assert an administrative claim arising from any damages caused to the Premises during the conduct of the sale including the removal of the sold property ("Property Damage Administrative Claim").²

IT IS FURTHER ORDERED that any property remaining at the Premises after June 30, 2022, shall be deemed abandoned and the automatic stay deemed lifted, without need for further order of this Court, to allow Landlord to sell, remove, or dispose of such property as necessary to take back full possession of the Premises.

IT IS FURTHER ORDERED that the stay provided by Federal Rule of Bankruptcy Procedure 6004(h) is vacated and the Trustee is authorized to sell the Assets upon the entry of this Order.

IT IS FURTHER ORDERED that the Trustee is authorized to take any actions reasonably necessary to effectuate the relief granted by this order.

IT IS FURTHER ORDERED that the Court shall retain jurisdiction to hear and determine all disputes arising from or related to the implementation, interpretation, or enforcement of this order.

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² Landlord and Trustee shall cooperate in drafting and serving on the creditor body a 9019 Motion to approve the material portions of the agreements and compromises reflected in this order. In the event a compromise and settlement is not approved, (1) the Trustee reserves his right to pursue avoidance of the rent payments as post-petition transfers under 11 U.S.C § 549; and (2) Landlord reserves its right to timely payment of rent under 11 U.S.C. § 365 as well as the right to file any and all claims available to it as of the date the lease is rejected and Premises surrendered without regard to the waivers and covenants otherwise granted by Landlord herein.

Submitted by:

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**ATTORNEYS FOR JOHN PATRICK LOWE,
CHAPTER 7 TRUSTEE FOR THE JOINTLY
ADMINISTERED CASE OF IN RE DEEPROOT
CAPITAL MANAGEMENT, LLC ET AL.**

United States Bankruptcy Court
Western District of Texas

In re:
deeproot Capital Management, LLC
deeproot Capital Management, LLC
Debtors

Case No. 21-51523-mmp
Chapter 7

CERTIFICATE OF NOTICE

District/off: 0542-5

User: admin

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Date Rcvd: Feb 09, 2022

Form ID: pdfintp

Total Noticed: 18

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
#	Addresses marked '#' were identified by the USPS National Change of Address system as requiring an update. While the notice was still deliverable, the notice recipient was advised to update its address with the court immediately.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Feb 11, 2022:

Recip ID	Recipient Name and Address
db	#+ deeproot Capital Management, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
cr	+ CCW Braun Heights, LLC, 22809 Citron Circle, San Antonio, TX 78260-7728
cr	+ Carrie Blair, 1171 E FM 193, Afton, TX 79220-4900
cr	+ Cliff Conrad, 22809 Citron Circle, San Antonio, TX 78260-7728
cr	+ Kim Marchwicki, 9603 Boerne Spring, Boerne, TX 78006-9394
intp	+ Mel T. Davis, P.O. Box 236, Elmendorf, TX 78112-0236
jaddb	#+ Policy Services, Inc., 12621 Silicon Dr., San Antonio, TX 78249-3447
cr	+ Silicon Drive Office Venture, LLC, c/o SMFAD Law, 1001 McKinney Street, Suite 1100, Houston, TX 77002-6424
cr	Texas Workforce Commission, Christopher S.Murphy, P.O. Box 12548, Austin, TX 78711-2548
jaddb	#+ Wizard Mode Media, LLC, 12227 S Business Park Dr, Suite 130, Draper, UT 84020-6515
jaddb	#+ deeproot 3 Year Bonus Income Fund, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot 575 Fund, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot BonusGrowth 5 Year Debenture Fund, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot Funds, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot Growth Runs Deep Fund, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot Pinball, LLC, 12621 Silicon Dr., San Antonio, TX 78249-3447
jaddb	#+ deeproot Studios, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447
jaddb	#+ deeproot Tech, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447

TOTAL: 18

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
jaddb	*+	deeproot Capital Management, LLC, 12621 Silicon Dr, San Antonio, TX 78249-3447

TOTAL: 0 Undeliverable, 1 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

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User: admin

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Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on February 9, 2022 at the address(es) listed below:

Name	Email Address
A. Craig Hale	on behalf of Creditor Draper 5 LLC achale@halewoodlaw.com
Catherine A. Curtis	on behalf of Debtor deeproot Funds LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor deeproot 3 Year Bonus Income Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of JointAdmin Debtor deeproot BonusGrowth 5 Year Debenture Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor Policy Services Inc. catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of JointAdmin Debtor deeproot Capital Management LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor Wizard Mode Media LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor deeproot 575 Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of JointAdmin Debtor deeproot Studios LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor deeproot Studios LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of Debtor deeproot BonusGrowth 5 Year Debenture Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of JointAdmin Debtor deeproot 3 Year Bonus Income Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Catherine A. Curtis	on behalf of JointAdmin Debtor deeproot 575 Fund LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
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Catherine A. Curtis	on behalf of Debtor deeproot Tech LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
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Catherine A. Curtis	

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	on behalf of JointAdmin Debtor deeproot Tech LLC catherine.curtis@wickphillips.com, brenda.ramirez@wickphillips.com
Christopher S. Murphy	on behalf of Creditor Texas Workforce Commission bk-cmurphy@oag.texas.gov sherri.simpson@oag.texas.gov
Donald P. Stecker	on behalf of Creditor Bexar County don.stecker@lgbs.com
Jason M. Rudd	on behalf of Debtor deeproot BonusGrowth 5 Year Debenture Fund LLC jason.rudd@wickphillips.com, brenda.ramirez@wickphillips.com
Jason M. Rudd	on behalf of JointAdmin Debtor deeproot Pinball LLC jason.rudd@wickphillips.com, brenda.ramirez@wickphillips.com
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Jason M. Rudd	on behalf of JointAdmin Debtor deeproot BonusGrowth 5 Year Debenture Fund LLC jason.rudd@wickphillips.com, brenda.ramirez@wickphillips.com
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John Patrick Lowe	

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User: admin

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Raymond W. Battaglia

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Raymond W. Battaglia

on behalf of Creditor Cliff Conrad rbattagliaw@outlook.com

Raymond W. Battaglia

on behalf of Creditor Susan Conrad Trust rbattagliaw@outlook.com

Raymond W. Battaglia

on behalf of Creditor CCW Braun Heights LLC rbattagliaw@outlook.com

United States Trustee - SA12

USTPRegion07.SN.ECF@usdoj.gov

TOTAL: 55